

FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE UNITED STATES
WASHINGTON, D.C. 20579

IN THE MATTER OF THE CLAIM OF

THE BLACK AND DECKER MANUFACTURING CO.

Claim No. CU-0527

Decision No. CU

Under the International Claims Settlement
Act of 1949, as amended

000053

PROPOSED DECISION

This claim against the Government of Cuba, under Title V of the International Claims Settlement Act of 1949, as amended, for \$9,121.65 was presented by THE BLACK AND DECKER MANUFACTURING CO., based upon the asserted loss of payment for merchandise shipped to Cuba.

Under Section 503 of the International Claims Settlement Act of 1949, as amended (64 Stat. 12; 69 Stat. 562; 72 Stat. 527; 78 Stat. 1110; 79 Stat. 988) the Commission is given jurisdiction over claims of nationals of the United States against the Government of Cuba. That section provides that the Commission shall receive and determine in accordance with applicable substantive law, including international law, the amount and validity of claims by nationals of the United States against the Government of Cuba arising since January 1, 1959 for

(a) . . . losses resulting from the nationalization, expropriation, intervention or other taking of, or special measures directed against, property including any rights or interests therein owned wholly or partially, directly or indirectly at the time by nationals of the United States,

Section 502(3) of the Act provides:

The term 'property' means any property, right or interest including any leasehold interest, and debts owed by the Government of Cuba or by enterprises which have been nationalized, expropriated, intervened, or taken by the Government of Cuba and

debts which are a charge on property which has been nationalized, expropriated, intervened, or taken by the Government of Cuba.

Section 502(1) of the Act defines the term "national of the United States" as " . . . (B) a corporation or other legal entity which is organized under the laws of the United States, or of any State, the District of Columbia, or the Commonwealth of Puerto Rico, if natural persons who are citizens of the United States own, directly or indirectly, 50 percentum or more of the outstanding capital stock or other beneficial interest of such corporation or entity."

An officer of the claimant corporation has certified that the claimant was organized in the State of Maryland and that at all times between September 30, 1961 and presentation of this claim on October 26, 1965, more than 50% of the outstanding capital stock of the claimant has been owned by United States nationals. The Commission holds that claimant is a national of the United States within the meaning of Section 502(1)(B) of the Act.

Claimant, THE BLACK AND DECKER MANUFACTURING CO., certifies that not less than 95% of the Corporation's 7,522 stockholders were United States nationals.

The record includes correspondence from the claimant, THE BLACK AND DECKER MANUFACTURING CO., to the Guaranty Trust Company of New York requesting collection for merchandise valued at \$2,242.00, draft number 1312, delivered to "Cia Riera Tora and Van Twistern S.A.," Havana Cuba.

The record also includes as correspondence from the claimant to the Guaranty Trust Company of New York requesting collection on merchandise valued at \$6,879.25, identified by draft numbers 1131, 1192, 1209, 1246, and 1329 delivered to "Zaldo y Martinez, S.A.," of Havana, Cuba.

Additionally, the record includes letters from the Morgan Guaranty Trust Company of New York, New York, dated May 23, 1960, September 23, 1959, December 8, 1959, November 30, 1959, May 12, 1960 and May 27, 1960 in which it is stated that the collection in the total amount of \$9,121.65,

was paid by the consignees, "Cia. Riera Tora and Van Twistern" and "Zaldo y Martinez, S.A.," and that the National Bank of Cuba was still awaiting a dollar reimbursement release from the Central Bank and Exchange Board, Cuban Government Agencies. Claimant states that it has not received the funds.

The Government of Cuba, on September 29, 1959, published its Law 568, concerning foreign exchange. Thereafter the Cuban Government effectively precluded transfers of funds, in this and similar cases, by numerous, unreasonable and costly demands upon the consignees, who were thus deterred from complying with the demands of the Cuban Government. The Commission holds that Cuban Law 568 and the Cuban Government's implementation thereof, with respect to the rights of the claimant herein, was not in reality a legitimate exercise of sovereign authority to regulate foreign exchange, but constituted an intervention by the Government of Cuba into the contractual rights of the claimant, which resulted in the taking of American-owned property within the meaning of Section 503(a) of the Act. (See In the Matter of the Claim of The Schwarzenbach Huber Company, FCSC Claim No. CU-0019.)

Accordingly, in the instant claim the Commission finds that claimant's property was lost as a result of intervention by the Government of Cuba and that, in the absence of evidence to the contrary, the loss occurred on the following dates, the days after the collections were acknowledged by the National Bank of Cuba and Nova Scotia Bank of Havana, Cuba.

<u>Invoice No.</u>	<u>Date of Loss</u>	<u>Amount</u>
1312	May 24, 1960	\$2,242.40
1131	September 24, 1959	1,070.67
1192	December 8, 1959	2,537.28
1209	December 1, 1959	1,714.32
1246	May 13, 1960	1,269.37
1329	May 28, 1960	287.61

The Commission has decided that in payment of losses on claims determined pursuant to Title V of the International Claims Settlement Act of 1949, as amended, interest should be allowed at the rate of 6% per annum from the date of loss to the date of settlement (See the Claim of American Cast Iron Pipe Company, FCSC Claim No. CU-0249).

Accordingly, the Commission concludes that the amount of the loss sustained by claimant shall be increased by interest thereon at the rate of 6% per annum from the dates on which the loss occurred, to the date on which provisions are made for the settlement thereof, as follows:

On \$2,242.40 from May 24, 1960
On \$1,070.67 from September 24, 1959
On \$2,537.28 from December 8, 1959
On \$1,714.32 from December 1, 1959
On \$1,269.37 from May 13, 1960
On \$ 287.61 from May 28, 1960

CERTIFICATION OF LOSS

The Commission certifies that THE BLACK AND DECKER MANUFACTURING CO., suffered a loss, as a result of actions of the Government of Cuba, within the scope of Title V of the International Claims Settlement Act of 1949, as amended, in the amount of Nine Thousand One Hundred Twenty-One Dollars and Sixty-Five Cents (\$9,121.65) with interest thereon at 6% per annum from the respective dates of loss to the date of settlement.

Dated at Washington, D. C.,
and entered as the Proposed
Decision of the Commission

CERTIFICATION JUN 14 1967

This is a true and correct copy of the decision of the Commission which was entered as the final decision on JUL 14 1967

Edward D. Re
Edward D. Re, Chairman

Theodore Jaffe
Theodore Jaffe, Commissioner

Francis M. ...
Clerk of the Commission

LaVern R. Dilweg
LaVern R. Dilweg, Commissioner

NOTICE: Pursuant to the Regulations of the Commission, if no objections are filed within 15 days after service or receipt of notice of this Proposed Decision upon the expiration of 30 days after such service or receipt of notice, the decision will be entered as the Final Decision of the Commission, unless the Commission otherwise orders. (FCSC Reg., 45 C.F.R. 531.5(e) and (g) as amended, 32 Fed. Reg. 412-13 (1967).)